



OCEANAGOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FIRST QUARTER REPORT
MARCH 31ST, 2022
UNAUDITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2022

(in millions of United States dollars)

	<i>Notes</i>	<i>March 31 2022 \$</i>	<i>December 31 2021 \$</i>
ASSETS			
Current assets			
Cash and cash equivalents		194.7	133.0
Trade and other receivables	5	39.1	24.1
Inventories	7	126.7	127.1
Prepayments		11.1	13.5
Total current assets		371.6	297.7
Non-current assets			
Trade and other receivables	5	88.6	88.5
Financial assets	6	2.2	1.2
Inventories	7	191.0	190.2
Deferred tax assets		47.8	58.9
Property, plant and equipment	8	813.1	821.9
Mining assets	9	824.3	800.4
Total non-current assets		1,967.0	1,961.1
TOTAL ASSETS		2,338.6	2,258.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		140.2	143.2
Employee benefits		17.4	16.4
Current tax liabilities		3.1	8.4
Interest-bearing loans and borrowings	10	27.1	28.8
Asset retirement obligations		6.8	5.5
Total current liabilities		194.6	202.3
Non-current liabilities			
Other obligations		3.0	3.1
Employee benefits		1.1	1.1
Deferred tax liabilities		30.6	19.9
Interest-bearing loans and borrowings	10	336.0	342.1
Asset retirement obligations		139.4	141.5
Total non-current liabilities		510.1	507.7
TOTAL LIABILITIES		704.7	710.0
SHAREHOLDERS' EQUITY			
Share capital	11	1,230.6	1,230.7
Retained earnings		315.5	236.9
Contributed surplus		65.4	63.9
Other reserves		22.4	17.3
TOTAL SHAREHOLDERS' EQUITY		1,633.9	1,548.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,338.6	2,258.8

On behalf of the Board of Directors:



Paul Benson
Director
April 28, 2022



Sandra M. Dodds
Director
April 28, 2022

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2022

(in millions of United States dollars, except per share data)

	<i>Notes</i>	<i>Three months ended</i>	
		<i>March 31 2022 \$</i>	<i>March 31 2021 \$</i>
Revenue	4	285.7	148.9
Cost of sales, excluding depreciation and amortisation		(114.4)	(66.7)
Depreciation and amortisation		(55.3)	(36.3)
General and administration - indirect taxes		(4.5)	(0.1)
General and administration - idle capacity charges		-	(4.5)
General and administration - other		(11.1)	(12.6)
Operating profit/(loss)		100.4	28.7
Other income/(expenses)			
Interest expense and finance costs		(2.9)	(2.7)
Foreign exchange gain/(loss)		1.9	(3.4)
Total other expenses		(1.0)	(6.1)
Write down of assets		(3.2)	(1.3)
Interest income		0.1	-
Other income/(expense)		0.4	0.4
Profit/(loss) before income tax		96.7	21.7
Income tax benefit/(expense)		(18.1)	(5.7)
Net profit/(loss)		78.6	16.0
Other comprehensive income/(loss)			
<i>Items that have been/may be reclassified to profit or loss</i>			
Currency translation gain/(loss)		4.2	(3.2)
<i>Items that will not be reclassified to profit or loss</i>			
Gain/(loss) on fair value of financial assets at fair value through other comprehensive income		0.9	(0.2)
Total other comprehensive income/(loss) net of tax		5.1	(3.4)
Comprehensive income/(loss) attributable to shareholders		83.7	12.6
		<i>Millions</i>	<i>Millions</i>
Weighted average number of common shares (used in calculation of basic earnings per share)		704.2	704.0
Effect of dilution: Share options		13.0	9.5
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)		<u>717.2</u>	<u>713.5</u>
Net earnings/(loss) per share:			
- Basic		\$0.11	\$0.02
- Diluted		\$0.11	\$0.02

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the quarter ended March 31, 2022

(in millions of United States dollars)

	Share Capital	Contributed Surplus	Other Reserves	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
Balance at January 1, 2022	1,230.7	63.9	17.3	236.9	1,548.8
Comprehensive income/(loss) for the period	-	-	5.1	78.6	83.7
Issue of shares (net of costs)	(0.1)	-	-	-	(0.1)
Employee share options:					
Share based payments	-	2.2	-	-	2.2
Forfeiture of options	-	(0.7)	-	-	(0.7)
Exercise of options	-	-	-	-	-
Balance at March 31, 2022	1,230.6	65.4	22.4	315.5	1,633.9
Balance at 1 January, 2021	1,229.5	56.4	38.4	240.6	1,564.9
Comprehensive income/(loss) for the period	-	-	(3.4)	16.0	12.6
Issue of shares (net of costs)	1.0	-	-	-	1.0
Employee share options:					
Share based payments	-	2.2	-	-	2.2
Forfeiture of options	-	(0.4)	-	-	(0.4)
Balance at March 31, 2021	1,230.5	58.2	35.0	256.6	1,580.3

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the quarter ended March 31, 2022

(in millions of United States dollars)

	<i>Three months ended</i>	
	<i>March 31</i>	<i>March 31</i>
	<i>2022</i>	<i>2021</i>
	\$	\$
Operating activities		
Net profit/(loss)	78.6	16.0
<i>Charges/(credits) not affecting cash</i>		
Depreciation and amortisation expense	55.3	36.3
Unrealised foreign exchange (gain)/loss	(1.9)	3.4
Stock based compensation charge	1.5	1.8
Amortisation of transaction costs/ write off	0.2	0.2
Income tax expense/(benefit)	18.1	5.7
Write down of assets	3.2	1.3
<i>Changes in working capital</i>		
(Increase)/decrease in trade and other receivables	(14.8)	(0.5)
(Increase)/decrease in inventories	(0.4)	(12.7)
(Decrease)/increase in trade and other payables	2.7	(4.3)
(Decrease)/increase in other working capital	1.3	0.4
Net cash provided by/(used in) operating activities	143.8	47.6
Investing activities		
Proceeds from sale of property, plant and equipment	0.2	0.9
Payment for property, plant and equipment	(5.7)	(9.4)
Payment for mining assets: exploration and evaluation	(3.1)	(3.3)
Payment for mining assets: development	(21.7)	(39.2)
Payment for mining assets: in production	(41.6)	(20.9)
Net cash provided by/(used in) investing activities	(71.9)	(71.9)
Financing activities		
Repayment of lease liabilities	(6.5)	(6.4)
Repayment of bank borrowings and other loans	(2.2)	(0.3)
Net cash provided by/(used in) financing activities	(8.7)	(6.7)
Effect of exchange rates changes on cash gain/(loss)	(1.5)	(2.5)
Net increase/(decrease) in cash and cash equivalents	61.7	(33.5)
Cash and cash equivalents at the beginning of the period	133.0	179.0
Cash and cash equivalents at the end of the period	194.7	145.5
Cash interest paid	(3.9)	(2.3)
Cash interest received	0.1	-
Income taxes received/(paid)	(2.0)	0.1

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange and the Australian Securities Exchange. The registered address of the Company is c/o Fasken Martineau DuMoulin LLP, 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada. The Company is the ultimate parent, and together with its subsidiaries, forms the OceanaGold Corporation consolidated group (the "Group").

The Group is engaged in the exploration, development and operation of gold and other mineral mining activities. OceanaGold operates one open cut gold mine and two underground mines in New Zealand. The Group also operates one open cut gold mine at Haile in South Carolina, United States and an underground operation at Didipio in the Philippines.

The Group prepares its unaudited interim condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim condensed financial statements including IAS 34. The policies applied are based on IFRS issued and outstanding as of the day the Board of Directors approved the statements. These interim condensed financial statements do not include all of the notes of the type normally included in an annual financial report and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2021, as they provide an update of previously reported information.

These interim condensed financial statements are expressed in United States dollars ("US\$") which is the presentation currency for OceanaGold Corporation.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as noted in Note 2 below.

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on April 28, 2022.

2 ACCOUNTING POLICIES

Accounting standards effective for future periods

The following accounting policy is effective for future periods.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Accounting Standards Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments are effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

2 ACCOUNTING POLICIES (CONTINUED)

The Group will apply the amendments accordingly when effective and does not currently expect any material impact of these amendments.

There are no other IFRSs or IFRIC interpretations that are not yet effective and that would be expected to have a material impact on the Group.

3 CRITICAL ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of estimates and judgement that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2021, except for those noted and updated below.

(i) Impairment of assets

The Group assesses each Cash-Generating Unit (CGU) at period end, to determine whether there are any indications of impairment or reversal of impairment. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made. Recoverable amount is the higher of the fair value less cost of disposal and value in use calculated in accordance with accounting policy. These assessments require the use of estimates and assumptions such as commodity prices (gold, copper and silver), discount rates, exchange rates (New Zealand dollar and Philippines Peso to the US Dollar), sustaining capital requirements, operating performance (including the magnitude and timing of related cash flows, production levels and grade of ore being processed), future operating development from certain identified development or exploration targets where there is high degree of confidence in the economic extraction of minerals and conversion of resources (measured and indicated and inferred) and their estimated fair value, including those factors that could be impacted by the Group's current and emerging principal risks such as climate change.

The recoverable amount of exploration assets is dependent on various factors including technical studies, further exploration, and the eventual grant of mining permits. Should these be unsuccessful, the exploration assets could be impaired.

The Group has four CGUs, Macraes and Waihi in New Zealand, Didipio in the Philippines and Haile in the United States of America.

(ii) COVID-19

In light of the current economic climate and the volatility, uncertainty and disruption arising in connection with COVID-19, the Group continues to actively monitor the impact of the COVID-19 pandemic on its operations in the various jurisdictions and concluded that it had not had a material impact and was hence not an indicator of impairment for any of the Group's CGUs.

(iii) Climate Change

The Group continues to develop its assessment of the potential impacts of climate change, the transition to a low-carbon future and its ambition to achieve net zero operational greenhouse emissions across its operations by 2050. This plan is supported by an interim target to reduce carbon emissions per ounce of gold produced by 30 per cent by 2030.

The Company is working through and considering the implications of the recent policy announcement relating to an interim emissions reduction target by 2030 and as at the date of this report, has not yet determined the financial statements impact (if any).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

4 REVENUE

	Three months ended	
	March 31 2022 \$m	March 31 2021 \$m
Gold sales		
Bullion	205.8	148.0
Concentrate sales	40.0	-
Provisional price adjustment	1.7	(0.1)
	<u>247.5</u>	<u>147.9</u>
Copper sales		
Concentrate sales	39.7	-
Provisional price adjustment	0.3	0.1
	<u>40.0</u>	<u>0.1</u>
Silver sales		
Bullion	2.8	0.9
	<u>2.8</u>	<u>0.9</u>
Less concentrate treatment, refining and selling costs	(4.6)	-
Total Revenue	<u>285.7</u>	<u>148.9</u>

Provisionally Priced Sales

At March 31, 2022, the provisionally priced gold and copper sales for 12,000 dry metric tonnes of concentrate containing provisional estimates of 10,260 ounces of gold and 1,977 tonnes of copper, subject to final settlement, were recorded at average prices of \$1,931/oz and \$10,317/t, respectively.

5 TRADE AND OTHER RECEIVABLES

	March 31 2022 \$m	December 31 2021 \$m
Current		
Trade receivables	33.0	18.4
Other receivables	6.1	5.7
	<u>39.1</u>	<u>24.1</u>
Non-Current		
Other receivables	88.6	88.5
	<u>88.6</u>	<u>88.5</u>

Trade Receivables includes amounts receivable from sale of gold-copper concentrate in Philippines.

Other receivables mainly consist of \$47.0 million (December 31, 2021: \$46.6 million) input tax credits and \$28.6 million (December 31, 2021: \$28.7 million) excise tax recoverable, with the remainder related to deposits at bank in support of environmental bonds. VAT and excise duties are recoverable under the terms of the FTAA agreement with the Government of the Philippines.

The Group has a contingent liability under bonds issued in favour of various New Zealand authorities (Otago Regional Council, Dunedin City Council, Waitaki District Council, West Coast Regional Council, Buller District Council and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately \$39.0 million (December 31, 2021: \$38.4 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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6 FINANCIAL ASSETS

	<i>March 31</i> <i>2022</i> <i>\$m</i>	<i>December 31</i> <i>2021</i> <i>\$m</i>
Non-Current		
Financial assets at fair value through other comprehensive income	2.2	1.2
	2.2	1.2

Represents the fair value of investments in NuLegacy Gold Corporation which is listed on the Toronto Stock Exchange.

7 INVENTORIES

	<i>March 31</i> <i>2022</i> <i>\$m</i>	<i>December 31</i> <i>2021</i> <i>\$m</i>
Current		
Gold in circuit	19.8	14.7
Ore - at cost	32.5	32.4
Gold on hand	1.1	6.6
Gold and copper concentrate	5.0	7.4
Maintenance stores	68.3	66.0
	126.7	127.1
Non-Current		
Ore - at cost	190.2	189.5
Maintenance stores	0.8	0.7
	191.0	190.2
Total inventories	317.7	317.3

During the quarter, inventories were written down by \$0.4 million (for the year ended December 31, 2021: \$14.9 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022			
	Land	Buildings	Plant and equipment	Total
	\$m	\$m	\$m	\$m
Net book value				
At December 31, 2021:				
Cost	59.0	103.2	1,697.5	1,859.7
Accumulated depreciation and impairment	-	(42.0)	(995.8)	(1,037.8)
At December 31, 2021	59.0	61.2	701.7	821.9
Movement for the period:				
Additions	-	-	10.7	10.7
Movement in economic assumptions	-	-	(4.8)	(4.8)
Transfers	-	0.3	8.2	8.5
Disposals/write-off	(0.1)	-	-	(0.1)
Depreciation charge	-	(1.3)	(24.0)	(25.3)
Exchange differences	0.5	0.3	1.4	2.2
At March 31, 2022	59.4	60.5	693.2	813.1
At March 31, 2022:				
Cost	59.4	103.9	1,574.7	1,738.0
Accumulated depreciation and impairment	-	(43.4)	(881.5)	(924.9)
	59.4	60.5	693.2	813.1

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of \$107.2 million (December 31, 2021: \$113.7 million). \$74.9 million (December 31, 2021: \$96.5 million) of the right-of-use assets are pledged as security for lease liabilities (Note 10).

The following table shows the movements in the net book value of right-of-use assets for the three months period ended March 31, 2022:

	March 31, 2022				
	Properties	Vehicles and Machinery	Office equipment	Other plant and equipment	Total
	\$m	\$m	\$m	\$m	\$m
Net book value					
At January 1, 2022	0.8	97.8	0.2	14.9	113.7
Additions	-	0.1	-	0.2	0.3
Depreciation	(0.2)	(6.6)	-	(0.4)	(7.2)
Exchange differences	-	0.2	-	0.2	0.4
At March 31, 2022	0.6	91.5	0.2	14.9	107.2

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

9 MINING ASSETS

	March 31, 2022			
	Exploration and evaluation phase	Development phase	In production phase	Total
	\$m	\$m	\$m	\$m
Net book value				
At December 31, 2021:				
Cost	107.4	131.1	2,139.0	2,377.5
Accumulated amortisation and impairment	(1.4)	-	(1,575.7)	(1,577.1)
At December 31, 2021	106.0	131.1	563.3	800.4
Movement for the period:				
Additions	3.2	15.4	44.9	63.5
Transfers	-	(14.8)	6.3	(8.5)
Disposals/write-off	(3.2)	-	-	(3.2)
Amortisation for the period	-	-	(32.4)	(32.4)
Exchange differences	1.1	0.8	2.6	4.5
At March 31, 2022	107.1	132.5	584.7	824.3
At March 31, 2022:				
Cost	107.1	132.5	2,112.1	2,351.7
Accumulated amortisation and impairment	-	-	(1,527.4)	(1,527.4)
	107.1	132.5	584.7	824.3

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest. The mining assets under development mainly included the Martha Underground Project at Waihi Gold Mine and the Golden Point Underground Project at Macraes Gold Mine in New Zealand, the underground operations and development, the community development and road projects at Didipio Mine in the Philippines, and the underground surface work, water treatment expansion, PAG development and the tailings facility lift construction at the Haile Gold Mine in the United States.

10 INTEREST-BEARING LOANS AND BORROWINGS

	<i>March 31 2022 \$m</i>	<i>December 31 2021 \$m</i>
Current		
Lease liabilities (1)	26.2	26.0
Promissory note (4)	-	1.9
US\$ banking facilities (2)	1.5	1.5
Unamortised transaction costs (3)	(0.6)	(0.6)
Net US\$ banking facilities	<u>0.9</u>	<u>0.9</u>
	<u>27.1</u>	<u>28.8</u>
	<i>March 31 2022 \$m</i>	<i>December 31 2021 \$m</i>
Non-Current		
Lease liabilities (1)	81.4	87.2
US\$ banking facilities (2)	255.6	256.0
Unamortised transaction costs (3)	(1.0)	(1.1)
Net US\$ banking facilities	<u>254.6</u>	<u>254.9</u>
	<u>336.0</u>	<u>342.1</u>

(1) Leases liabilities

Lease liability is measured at the present value of the fixed and variable lease payments net of cash lease incentives that are not paid at the balance date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease where available or the Group's incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

The Group has provided guarantees for certain mobile mining equipment leases entered into by the controlled entities. At March 31, 2022 the outstanding rental obligations under these leases amounted to \$96.4 million (December 31, 2021: \$102.4 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2022.

(2) US\$ banking facilities

On December 16, 2020, the Group amended its loan facility with the Group's bank group to increase its overall credit facilities to \$250.0 million and extended the maturity date for the overall credit facilities to December 31, 2024. The facilities are with a multi-national group of banks.

On May 6, 2020, the Group entered into a new \$10.0 million fleet facility arrangement with a financial institution for mining equipment financing. On December 16, 2020, the Group amended this fleet facility arrangement to decrease its credit facilities to \$9.7 million.

On July 21, 2021, the Group amended its loan facility with one of the Group's bank group to increase its credit facilities by \$30.0 million with termination date on December 31, 2022.

At March 31, 2022, total facilities stood at \$287.1 million (December 31, 2021: \$287.1 million) with \$257.1 million drawn (December 31, 2021: \$257.1 million) and \$30.0 million undrawn (December 31, 2021: \$30.0 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2022.

(3) Unamortised transaction costs

Represents the unamortised portion of upfront fees and other costs incurred in amending US\$ banking facilities. These fees are being amortised to reflect an approximate pattern of consumption over the terms of the facilities.

(4) Promissory note

A promissory note for the purchase of land at Haile was contracted on June 28, 2021. The principal and interest were paid on January 5, 2022.

10 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Assets pledged

As security for the Group's banking facilities, the Group's bank group have been granted real property mortgages over titles relevant to the New Zealand and United States mines (note 12 total segment assets). They also have the ability to enter into real property and chattel mortgages in respect of the Didipio mine, and be assigned the Financial or Technical Assistance Agreement, subject to the requirements of applicable laws. Furthermore, certain subsidiaries of the Group have granted security in favour of the bank group over their assets which include shares that they own in various other subsidiaries of the Group.

11 SHARE CAPITAL

Movement in common shares on issue

	<i>March 31 2022 Million shares</i>	<i>March 31 2022 \$m</i>	<i>December 31 2021 Million shares</i>	<i>December 31 2021 \$m</i>
Balance at the beginning of the period	704.2	1,230.7	704.0	1,229.5
Shares issued (net of costs)	-	(0.1)	-	0.8
Options exercised	-	-	0.2	0.4
Balance at the end of the period	<u>704.2</u>	<u>1,230.6</u>	<u>704.2</u>	<u>1,230.7</u>

Common shares holders have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Common shares have no par value and are all fully paid. The Company has not established a maximum number for authorised shares.

Each CHESS Depository Interests ("CDIs") represents a beneficial interest in a common share in the Company. CDI holders have the same rights as holders of common shares except that they must confirm their voting intentions by proxy before the meeting of the Company.

A potential non-controlling interest is referred to in Note 16(a).

The Company has share rights schemes under which rights to subscribe for the Company's shares have been granted to executives and management.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

12 SEGMENT INFORMATION

The Group's operations are managed on a regional basis. The three reportable segments are New Zealand, the Philippines and the United States. The business segments presented below reflect the management structure of the Group and the way in which the Group's management reviews business performance. The Group sells its gold bullion to a mint in Australia and a refiner in the United States, and sells its gold-copper concentrate to a commodity trader in Singapore. Gold bullion is produced in New Zealand, the Philippines and the United States and gold-copper concentrate is produced in the Philippines.

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quarter ended March 31, 2022						
Revenue						
Sales to external customers	85.3	95.4	105.0	-	-	285.7
Inter segment management and gold handling fees	-	-	-	6.2	(6.2)	-
Total segment revenue	85.3	95.4	105.0	6.2	(6.2)	285.7
Result						
Segment result excluding depreciation and amortisation	37.5	57.7	72.2	(9.4)	-	158.0
Depreciation and amortisation	(19.8)	(12.3)	(22.7)	(0.5)	-	(55.3)
Inter segment management and gold handling fees	(2.8)	(1.5)	(1.9)	-	6.2	-
Write down of assets	(2.1)	-	-	(1.1)	-	(3.2)
Total segment result before interest and tax	12.8	43.9	47.6	(11.0)	6.2	99.5
Net interest expense						(2.8)
Income tax (expense)/benefit						(18.1)
Net profit/(loss) for the period						78.6
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2022*	33.1	2.3	38.6	0.2	-	74.2
Total segment assets as at March 31, 2022	593.2	794.2	890.2	61.0	-	2,338.6

* Included additions to right-of-use assets of \$0.3 million (Note 8).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

12 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quarter ended March 31, 2021						
Revenue						
Sales to external customers	67.0	-	81.9	-	-	148.9
Inter segment management and gold handling fees	-	-	-	5.9	(5.9)	-
Total segment revenue	67.0	-	81.9	5.9	(5.9)	148.9
Result						
Segment result excluding depreciation and amortisation	28.2	(4.6)	45.4	(7.0)	-	62.0
Depreciation and amortisation	(8.5)	(2.1)	(25.3)	(0.4)	-	(36.3)
Inter segment management and gold handling fees	(3.1)	(1.4)	(1.4)	-	5.9	-
Write down of assets	-	-	(1.3)	-	-	(1.3)
Total segment result before interest and tax	16.6	(8.1)	17.4	(7.4)	5.9	24.4
Net interest expense						(2.7)
Income tax (expense)/benefit						(5.7)
Net profit/(loss) for the period						16.0
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2021*	45.6	0.1	28.7	0.1	-	74.5
Total segment assets as at March 31, 2021	479.6	675.4	1,029.3	66.0	-	2,250.3

* Included additions to right-of-use assets of \$2.9 million (Note 8).

13 STOCK-BASED COMPENSATION

(a) Performance share rights plan

The following table reconciles the outstanding rights granted under the performance share rights plan at the beginning and the end of the period:

WAEP = weighted average exercise price

	<i>March 31, 2022</i>		<i>December 31, 2021</i>	
	No.	WAEP	No.	WAEP
Outstanding at the start of the period	14,799,223	A\$0.00	14,741,642	A\$0.00
Granted	4,724,890	A\$0.00	7,641,160	A\$0.00
Forfeited	(736,045)	A\$0.00	(2,593,540)	A\$0.00
Expired	(3,166,015)	A\$0.00	(4,770,414)	A\$0.00
Exercised	-	A\$0.00	(219,625)	A\$0.00
Balance at the end of the period	15,622,053	A\$0.00	14,799,223	A\$0.00
Exercisable at the end of the period	-	A\$0.00	-	A\$0.00

The performance share rights outstanding at March 31, 2022 had an exercise price of A\$0.00 and a weighted average remaining life of 2.03 years.

(b) Deferred Unit Plan ("DUP")

The following table reconciles the outstanding deferred units granted under the deferred unit plan at the beginning and at the end of the period:

	<i>March 31, 2022</i>	<i>December 31, 2021</i>
	No.	No.
Outstanding at the start of the period	596,501	435,676
Granted	68,784	343,811
Forfeited	-	-
Exercised	-	(182,986)
Balance at the end of the period	665,285	596,501
Exercisable at the end of the period	50,159	50,159

The fair value of the units granted under the Deferred Unit Plan is calculated as the future cash flow and it is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in the Statement of Comprehensive Income for the period with a corresponding increase or decrease in liability. At March 31, 2022, the fair value of the units was \$1.5 million and \$0.4 million was expensed.

14 COMMITMENTS

Capital commitments

At March 31, 2022, the Group has commitments of \$10.3 million (December 31, 2021: \$13.5 million), principally relating to the purchase of property, plant and equipment at Haile, Waihi and Didipio, and the development of mining assets at Waihi and Didipio.

The commitments contracted for at reporting date, but not provided for:

	March 31 2022 \$m	December 31 2021 \$m
Within one year:		
- purchase of property, plant and equipment	5.7	5.5
- development of mining assets	2.2	5.2
- leases not yet commenced	2.4	2.8
	10.3	13.5

Other commitments

The Didipio Project is held under a Financial or Technical Assistance Agreement (“FTAA”) entered into with the Republic of the Philippines in June 1994. The FTAA had an initial term of 25 years and became renewable on same terms and conditions for another period of 25 years in June 2019. On July 14, 2021, the Company received confirmation that the FTAA renewal has been approved.

The FTAA grants title, exploration and mining rights with a fixed fiscal regime. The FTAA was renewed on substantially the same terms and conditions, which provides that after a period in which the Group can recover development expenditure, capped at 5 years from the start of production (April 1, 2013) and a further 13 years starting in 2021 over which any remaining balance is amortised, the Company is required to pay the Government of the Republic of the Philippines 60% of the “Net Revenue” earned from the Didipio Project. For the purposes of the FTAA, “Net Revenue” is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government are included as part of the calculation of 60% payable, and certain specified amounts paid to claim owners are shared 60% / 40% with the Government. Per the renewal terms, an equivalent of an additional 1.5% of gross revenue is to be allocated to community development. This additional contribution is considered an allowable deduction under the fiscal terms of the FTAA.

15 RELATED PARTIES

There were no significant related party transactions during the period.

16 CONTINGENCIES

- (a) A wholly owned subsidiary of the Company is party to an addendum agreement with a syndicate of original claim owners, led by Mr J. Gonzales, in respect of a portion of the FTAA area (“Addendum Agreement”). Certain disputed claims for payment and other obligations under the Addendum Agreement made by Gonzales are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator. Mr. Gonzales passed away in late 2014. Further, a third party is also disputing Mr. Gonzales’ interest in the Didipio Project. The Company is awaiting on the outcome of any determination or settlement negotiation between Mr. Gonzales and the third party disputor.
- (b) The Department of Environment and Natural Resources of the Philippines (“DENR”), along with a number of mining companies (including OceanaGold (Philippines) Inc.), are parties to a case that was filed in 2008 whereby a group of Non-Governmental Organisations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act (“Mining Act”), the Financial or Technical Assistance Agreements (“FTAAs”) and the Mineral Production Sharing Agreements (“MPSAs”) in the Philippines Supreme Court. After some years of slow development, the case proceeded to oral hearing in 2013 and is currently awaiting decision from the Supreme Court.

Notwithstanding the fact that the Supreme Court has previously upheld the constitutionality of both the Mining Act and the FTAAs, the Company is mindful that litigation is an inherently uncertain process and the outcome of the case may adversely affect the operation and financial position of the Company. At this stage, it is not possible to identify the potential orders of the Court nor to quantify the possible impact. The Company is working closely with the DENR, the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

16 CONTINGENCIES (CONTINUED)

- (c) On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operation, citing "... petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province..." as reasons for the decision. The Company maintains that there is no legal basis for the proposed suspension, and the Didipio operation is not in violation of any laws, rules or regulations. Subsequent to receiving the suspension order, the Company filed an appeal with the Office of the President ("OP"), which has the effect of immediately staying the execution of the DENR suspension order. On March 15, 2017, the Company filed the Appeal Memorandum with the OP substantiating its grounds for appeal. The DENR filed its commentary to the Company's Memorandum on or around May 8, 2017, and the Company subsequently filed a further reply to the DENR commentary. On July 14, 2021, the FTAA renewal was approved.
- (d) The Group has contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. Bonds have been issued in favour of various New Zealand authorities (Minister for Land Information, Hauraki District Council, Waikato Regional Council and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for Martha mining that amount to approximately \$44.4 million (December 31, 2021: \$43.7 million).
- (e) The mine operating permit at Haile which became final and effective during the first quarter of 2015 includes a schedule for estimated financial assurance of \$65.0 million over the mine life consisting of \$55.0 million in surety bonds or other mechanisms and \$10.0 million in an interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of \$44.4 million and has paid \$4.2 million in trust funding by the end of March 2022. In addition, the company used a surety bond of \$17.2 million to cover some modification of construction projects.

The remaining estimated financial assurance of \$16.4 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2022. The timing and amounts of these payments could change due to a number of factors including changes in regulatory requirements, changes in scope and timing of closure activities. The State requires financial assurance for the estimated costs of mine reclamation and closure, including groundwater quality protection programs.

The surety bond and other financial assurance must be maintained in force continuously throughout the life of the mining operation and may only be released, partially or in full, after the State of South Carolina approves its release.

17 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material subsequent events that have arisen since the end of the financial period to the date of this report that have not otherwise been dealt with.